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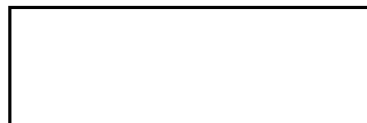
20 May 1963

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MEMORANDUM FOR: General Carter (for information)
Mr. Kirkpatrick (for CIA action) *LBK 5/21*

Mr. McCone called Mr. Gilpatric on 20 May. They agreed to take another look at the proposed arrangements for reimbursement for equipment losses in cold war operations. Larry Houston has been alerted.

Mr. Gilpatric also said that on the subject of making U-2s available to CIA, he had asked that it be done. If it hadn't, he would tell them to do so. Pete Scoville has STATINTL been alerted.

STATINTL



EA/101
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3:30 - Secty. Gilpatric called DCI:

G: About the reimbursement loss [] I have no question it should be the one enunciated in your letter; however I find that if you apply the retroactivity to this transaction, you will have a lot of resentment in the Air Force. They tell me that they are all worked up over this and it will just make certain people less prone to cooperate. I wonder if we should take that into account whether we should make this retroactive or whether you should try to cover this one transaction and make it clear in the future no more of this. But I will do it this way if you want.

DCI: Let me take one more look at it. While we are on the subject of airplanes, a couple of months ago we talked about transferring a couple of U2s.

G: I said that it would be done and if it hasn't been done, I will just tell them to do that.

mfb

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